

# PRACTICE PAPER

# 4

**Time allowed: 45 minutes**

**Maximum Marks: 200**

**General Instructions:** Same as Practice Paper-1.

**Choose the correct option in the following questions.**

- 1. If superintendent belongs to supervisory level then plant-superintendent will belong to:**  
(a) top level (b) middle level  
(c) supervisory level (d) none of the above
- 2. On introduction of any changes in the organisations, all employees hesitate to accept changes, Managers convince the employees and guide them to adopt the changes willingly. This is related to which importance of management?**  
(a) Management helps in achieving group goals.  
(b) Management increases efficiency.  
(c) Management creates a dynamic organisation.  
(d) Management helps in achieving personal objectives.
- 3. All the businessmen prefer their children to do MBA and then join business. This is related to**  
(a) Management as Science (b) Management as an Art  
(c) Management as a profession (d) Management as both Science and Art
- 4. "A manager in a conscious manner has to ensure that even where members of a department willingly cooperate, coordination gives direction to the willing spirit." The characteristic of coordination being highlighted above is:**  
(a) Coordination is the responsibility of all managers  
(b) Coordination is a deliberate function  
(c) Coordination integrates group efforts  
(d) Coordination is a continuous process
- 5. According to Henri Fayol 'People and materials must be in suitable place at appropriate time for maximum efficiency'. Identify the managerial principle discussed in the given statement.**  
(a) Discipline (b) Scalar Chain  
(c) Unity of Direction (d) Order
- 6. There is only one best method to do a thing is suggested in which scientific principle?**  
(a) Science not rule of thumb  
(b) Harmony, not discord  
(c) Cooperation, not individualism  
(d) Development of workers to their greatest efficiency and prosperity

7. The principles of pure science are considered to be \_\_\_\_\_ in nature.  
(a) Flexible (b) Rigid (c) Creative (d) None of the above
8. XYZ Ltd. is engaged in producing electricity from domestic garbage. There is almost equal division of work and responsibility between workers and Management. The management even takes workers into confidence before taking important decisions. All the workers are satisfied as the behaviour of the management is very good.

From the following options identify the principle of management discussed in the given case.

- (a) Initiative (b) Science not rule of thumb  
(c) Cooperation not individualism (d) Equity

9. Unique Ltd. is an electronic goods manufacturing company situated in Uttar Pradesh. It is earning low revenue in comparison to another electronic company 'Pace Ltd.' situated in Delhi. Both the enterprises are affected by the investors, customers, competitors and suppliers in their respective locations. At the same time both are also affected by economic condition, change in technology, etc.

Identify the features of business environment discussed in above paragraph:

- (a) Relativity and complex (b) Complex and all external forces  
(c) Specific, general and dynamic (d) Relativity and specific and general

10. Change in taxes is part of

- (a) Economic Environment (b) Political Environment  
(c) Legal Environment (d) Social Environment

11. It is compulsory that advertisement on baby food must inform that mother's milk is the best is related to

- (a) Social Environment (b) Economic Environment  
(c) Political Environment (d) Legal Environment

12. In which step of planning process is pros and cons of each alternative examined?

- (a) Selecting an alternative premises (b) Developing premises  
(c) Evaluating alternative course of action (d) Setting up objective

13. Planning is

- (a) Routine Activity (b) Mental exercise  
(c) None of the above (d) All of the above

14. The Statement "Planning is a primary function", suggests that \_\_\_\_\_.

- (a) Planning precedes other functions  
(b) Planning requires logical and systematic thinking  
(c) Plan is framed, it is implemented, and is followed by another plan, and so on  
(d) Planning is required at all levels of management as well as in all departments of the organisation

15. Decentralisation is

- (a) Optional (b) Compulsory  
(c) Both (a) and (b) (d) None of the above

16. Uniproduct manufacturing company must adapt

- (a) Functional Structure (b) Divisional Structure  
(c) Both (a) and (b) (d) None of the above

17. Who reports to whom is decided in the following step of organising process:

- (a) Identifying the activities (b) Grouping the activities  
(c) Assignment of duties (d) Establishing authority relationship

18. For the following two statements choose the correct option:

Statement I : Accountability can be delegated

Statement II : Responsibility can be delegated completely

Choose the correct option from the options given below:

- (a) Statement I is correct and II is wrong
  - (b) Statement II is correct and I is wrong
  - (c) Both the statements are correct
  - (d) Both the statements are incorrect
- 19. In Delegation, we have sharing of authority and responsibility between**
- (a) Two levels
  - (b) Multiple levels
  - (c) Department wise
  - (d) None of the above
- 20. The purpose of one of the training methods is to make the new employee feel at home and develop a feeling of belongingness in the organisation. That method is**
- (a) Induction training
  - (b) Apprenticeship training
  - (c) Internship
  - (d) Vestibule school
- 21. The candidate who has applied for job can clarify his queries during**
- (a) Test
  - (b) Employment interview
  - (c) Medical examination
  - (d) Selection decision
- 22. No fresh idea will come under**
- (a) Internal Recruitment
  - (b) External Recruitment
  - (c) Direct Recruitment
  - (d) Indirect Recruitment
- 23. To know the emotions and values of the candidate, which of the following tests is conducted?**
- (a) Intelligence Test
  - (b) Trade Test
  - (c) Personality Test
  - (d) Aptitude Test
- 24. Respect and recognition is part of**
- (a) Physiological need
  - (b) Social need
  - (c) Safety Security need
  - (d) Esteem need
- 25. The lowest level need in the need hierarchy theory of Abraham Maslow is**
- (a) Safety need
  - (b) Belongingness need
  - (c) Esteem need
  - (d) Physiological need
- 26. Which of the following is not an element of communication process?**
- (a) Decoding
  - (b) Grapevine
  - (c) Channel
  - (d) Receiver
- 27. The leader who does not welcome suggestions of employees is called**
- (a) Autocratic leader
  - (b) Democratic leader
  - (c) Free Rein leader
  - (d) None of the above
- 28. The incentive to provide company's share at very low price or free to employees, workers is called**
- (a) Profit sharing
  - (b) Commission
  - (c) Retirement benefit
  - (d) Co-partnership stock option
- 29. Under management by exception manager**
- (a) Sets up a range and deviation within the range are ignored and beyond range are taken seriously.
  - (b) All deviations are taken seriously.
  - (c) Both (a) and (b)
  - (d) None of the above
- 30. Controlling is**
- (a) Backward looking function.
  - (b) Forward looking function.
  - (c) Both backward as well as forward looking function.
  - (d) None of the above

- 31. Measurement of employees' performance can be done by**  
 (a) Increasing the market share of the company  
 (b) Gross profit ratio  
 (c) Return on investment  
 (d) Performance report
- 32. One of the concept of financial management takes into consideration the growth, performance, investment and requirement of fund for given period. Identify the concept.**  
 (a) Financial management (b) Investment decision  
 (c) Capital structure (d) Financial planning
- 33. Investment decision is also called**  
 (a) Capital budgeting decision (b) Working capital decision  
 (c) Current assets decision (d) None of the above
- 34. What is the cost of raising funds called?**  
 (a) Floatation Cost (b) Marginal Cost  
 (c) Fixed Cost (d) Variable Cost
- 35. Positive leverage effect brings**  
 (a) Gain for equity shareholders (b) Loss for equity shareholders  
 (c) Both (a) and (b) (d) None of the above
- 36. If a firm has growth opportunities, it should prefer giving**  
 (a) Low dividend (b) High dividend  
 (c) Does not effect dividend decision (d) None of the above
- 37. Call money, treasury bill, C.R., etc. are the instruments of**  
 (a) Capital Market (b) Money market  
 (c) Both (a) and (b) (d) None of the above
- 38. If a firm requires two crores for six months time to keep the stock of raw material, it should approach**  
 (a) Money market (b) Capital market  
 (c) Both (a) and (b) (d) None of the above
- 39. Under Private Placement, shares are never offered to**  
 (a) Institutes (b) Brokers  
 (c) General Public (d) None of the above
- 40. Certificate of deposit is issued by**  
 (a) Mutual fund companies  
 (b) Reserve Bank of India  
 (c) Large Corporate House  
 (d) Commercial bank and development financial institution
- 41. Persuading buyer to purchase the product is**  
 (a) Production concept (b) Product concept  
 (c) Selling concept (d) Marketing concept
- 42. The spoken part of Brand is known as**  
 (a) Brand (b) Brand name  
 (c) Brandmark (d) Trademark
- 43. The carrier of information is called**  
 (a) Packaging (b) Labelling  
 (c) Branding (d) Goodwill



- 44. Price of a product can be referred as**  
 (a) Product cost (b) Brand value  
 (c) Value of utility for customer (d) Promotion cost
- 45. Following level of packing is optional, products may have or may not have**  
 (a) Primary Packing (b) Secondary Packing  
 (c) Transportation Packing (d) None of the above
- 46. To bring rise in sale with immediate effect for short period, firm uses**  
 (a) Advertisement (b) Sales Promotion  
 (c) Personal Selling (d) Public Relation
- 47. If the value of product is ₹10 lakhs the consumer can file case in**  
 (a) District Commission (b) State Commission  
 (c) National Commission (d) All of the above
- 48. To avail the benefits of Consumer Protection Act, the consumer**  
 (a) Must insist on cash memo (b) No necessity for cash memo  
 (c) Need a certificate of consumer (d) None of the above
- 49. On a packet of juice, chips, biscuits what mark should be present?**  
 (a) Agmark (b) FPO  
 (c) ISI mark (d) None of the above
- 50. If a customer is not satisfied with the judgement of state commission, he can file appeal in**  
 (a) District Commission (b) Supreme Court  
 (c) High Court (d) National Commission



## Answers

### PRACTICE PAPER – 4

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|---------|---------|---------|---------|---------|---------|---------|
| 1. (b)  | 2. (c)  | 3. (c)  | 4. (b)  | 5. (d)  | 6. (a)  | 7. (b)  |
| 8. (c)  | 9. (d)  | 10. (a) | 11. (d) | 12. (c) | 13. (b) | 14. (a) |
| 15. (a) | 16. (a) | 17. (d) | 18. (d) | 19. (a) | 20. (a) | 21. (b) |
| 22. (a) | 23. (c) | 24. (d) | 25. (d) | 26. (b) | 27. (a) | 28. (d) |
| 29. (a) | 30. (c) | 31. (d) | 32. (d) | 33. (a) | 34. (a) | 35. (a) |
| 36. (a) | 37. (b) | 38. (a) | 39. (c) | 40. (d) | 41. (c) | 42. (b) |
| 43. (b) | 44. (c) | 45. (b) | 46. (b) | 47. (a) | 48. (a) | 49. (b) |
| 50. (d) |         |         |         |         |         |         |